



FEDERAL ELECTION COMMISSION
Washington, DC 20463

JUL 21 1999

Judith L. Corley, Esq.
Marc E. Elias, Esq.
Perkins Coie, LLP
607 Fourteenth St., N.W.
Washington, D.C. 20005-2011

RE: MUR 4763
Texas Democratic Party, *et al.*

Dear Ms. Corley and Mr. Elias:

As discussed during our telephone conversation on July 19, we are sending you a revised set of tables listing intra-party transfers of federal funds occurring from 1993 through 1996. The figures have been revised based on your faxed letter dated June 25, 1999, as well as our subsequent phone conversations. The tables include all of the transfers that have been verified by your clients; however, the Commission does not necessarily accept that no other intra-party transfers occurred. If your clients dispute the accuracy of the information contained in the tables, please contact me as soon as possible.

During the same conversation, we raised concerns about your clients' responses to particular questions and document requests in our letter dated May 27, 1999. We have identified inadequacies that need to be addressed in order to complete our investigation of this matter. The responses, which were included in your faxed letter dated July 8, 1999, are discussed below. For your convenience, the original questions are included in different typeface.

Question 5

- a. Identify which, if any, of the transfers listed in the attached tables (and those not listed) consisted of joint fundraising proceeds.
- b. For each and every such transfer, identify all political committees or organizations that participated in the joint fundraiser, the fundraising representative, the allocation formula used, the date(s) of the fundraiser and account(s) from which proceeds were disbursed.
- c. For each such joint fundraiser in which the TDP or any of the county committee respondents served as a fundraising representative, provide copies of any written agreements naming the representative and stating the allocation formula.

The only response given for Question 5 was that "the Texas Democratic Party is unaware that any of the contributions consisted of joint fundraising proceeds." As indicated in our letter dated May 27, 1999, the questions were directed at "your clients," meaning the Texas Democratic Party and each of the seven Democratic county committee respondents, as appropriate. Please have each of the county committee respondents determine whether any of the transfers in the attached charts consisted of joint fundraising proceeds. Bear in mind that, if the Texas Democratic Party or any of the county committee respondents acted as fundraising representatives, they were required to retain all written agreements identifying the participants and the allocation formulas used, for a period of three years, and to make them available to the Commission on request. 11 C.F.R. § 102.17(c)(1). Please provide all such documents, including all joint fundraising agreements back to 1993 that are still in your clients' possession. Please indicate what steps were taken by the Texas Democratic Party and the county committee respondents in answering each part of Question 5, identifying all records reviewed and all persons interviewed.

Several of the transfers from the Texas Democratic Party to the county committee respondents appear to have been made through an account named "Team Texas-Federal" (e.g., Bates #TDP0088 - TDP0207). Please state whether this was a joint fundraising account. If so, please answer Questions 5b and 5c. Some of the transfers appear to have been made through an account named "Unity '94" (e.g., Bates #TDP0226-TDP0234). Please state whether this was a joint fundraising account. If so, please answer Questions 5b and 5c.

Questions 6-8

6.a. State why the TDP transferred \$30,500 in federal funds to the Galveston County Democratic Party on or around December 2, 1996, by check no. 5294 (Bates # TDP0442-TDP0444, GAL0017), and how the amount and timing were determined.

b. State whether this transfer was a payment for goods or services and, if so, describe such goods or services.

c. State whether the funds were used for activities carried out or directed by the Galveston County Democratic Party on behalf of, or at the request or suggestion of, the TDP.

7.a. State why the TDP transferred \$15,000 in federal funds to the Tarrant County Democratic Party on or around October 11, 1996, by check no. 1716 (Bates # TDP0390-TDP0392, TAR0028), and how the amount and timing were determined.

b. State whether this transfer was a payment for goods or services and, if so, describe such goods or services.

c. State whether the funds were used for activities carried out or directed by the Tarrant County Democratic Party on behalf of, or at the request or suggestion of, the TDP.

8.a. State why the TDP transferred \$20,000 in federal funds to the Tarrant County Democratic Party on or around September 20, 1994, by check no. 1056 (Bates # TDP0501-0502, TAR0016-TAR0017), and how the amount and timing were determined.

b. State whether this transfer was a payment for goods or services and, if so, describe such goods or services.

c. State whether the funds were used for activities carried out or directed by the Tarrant County Democratic Party on behalf of, or at the request or suggestion of, the TDP.

d. State whether these funds were issued pursuant to the Check Request dated "Sept. 19" (Bates # TDP0501), whether these funds were used for phone banks and, if so, whether the phone calls were for get-out-the-vote activity.

e. State whether the transfer was an advance for activity to be conducted by the Tarrant County Democratic Party.

f. State what position(s) was held by Harold Cook with the TDP on September 19, 1994 (Bates # TDP0501).

The response to these questions (as well as Questions 9-13) was that "the information available to the Texas Democratic Party with respect to these transfers is the same information available to the Commission. For the majority of these transfers, the only information that the Texas Democratic Party has are the check copies and accompanying documents that have been produced to you." As previously stated, the questions are addressed to "your clients," meaning the Texas Democratic Party and each of the seven county committee respondents, as appropriate. Please have the appropriate county committees answer these questions.

The only question specifically referenced in your response is Question 8a, which concerns the \$20,000 transfer from the Texas Democratic Party to the Tarrant County Democratic Party on September 20, 1994. The response states that the "Texas Democratic Party can only draw the same inferences that you do - which is that the \$20,000 check probably was the result of that check request form." We do not understand why any inferences need to be drawn in order to divine the purpose of this transfer (or any of the transfers mentioned in other questions). The \$20,000 transfer was both made by one of your respondent clients (Texas Democratic Party) and received by one of your respondent clients (Tarrant County Democratic Party). No other entities or persons were involved in this transaction. After checking with the Tarrant County Democratic Party, please state what steps were taken in answering this question, including records reviewed and persons interviewed, and provide any additional information you obtain.

With regard to Question 8f, the response identifies Harold Cook as the "1994 coordinated campaign director" of the Texas Democratic Party. Based on Mr. Cook's position, it would appear that he would be capable of furnishing the information requested in the other parts of Question 8. Moreover, the check request (Bates #TDP0501) identifies Mr. Cook as the person

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who requested and approved the check, and the check itself (Bates #TDP0502) was signed by Mr. Cook. Please state whether Mr. Cook was contacted and, if so, what information he provided as it relates to Question 8. If Mr. Cook is no longer employed by nor holds any position with the Texas Democratic Party, please state where he is currently employed, and provide the name and address of his employer. Please state where Mr. Cook currently resides, and provide the address and telephone number of his residence.

The checks referred to in Questions 6 and 7 (Bates # TDP0443, TDP0391) appear to have been signed by Steven W. McDonald, who is listed as the Texas Democratic Party's current Custodian of Records. Mr. McDonald's "Title or Position" is described on the Party's most recently amended Statement of Organization as "Comptroller." Accordingly, it would seem that Mr. McDonald would be sufficiently familiar with the transactions to answer these questions. Please state whether Mr. McDonald was contacted and, if so, what information he provided in response to Questions 6 and 7. If Mr. McDonald is no longer employed by nor holds any position with the Texas Democratic Party, please state where he is currently employed, and provide the name and address of his employer. Please state where Mr. McDonald currently resides, and provide the address and telephone number of his residence.

Questions 15-16

15.a. State whether the following provision in Article I of the Rules applies to Democratic county chairs or members of county executive committees in Texas: "Every person who accepts a Party office at any level . . . must agree to support all of the Party's nominees or shall be removed" (Bates # TDP0016).

b. If the above provision is based on or derived from the Texas Election Code, cite which section.

16.a. State whether Article III.A.12 and III.A.13 (Bates # TDP0019, pertaining to "grounds for removal" and to the term "publicly supports") applies to Democratic county chairs or members of county executive committees in Texas.

b. If the above provision is based on or derived from the Texas Election Code, cite which section.

Your response to these questions – that the Texas Democratic Party "is not in a position to characterize or to interpret state law" – is based on the premise that Texas law addresses matters of party discipline. While the Texas Election Code provides detailed procedures on the conduct of elections and the composition of party executive committees, our examination of Texas law reveals no provisions addressing the control of the state party over persons holding party offices. In fact, Texas case law affirms that courts have no power to interfere in the judgments of constituted authorities of established political parties in matters involving party government and discipline, including the removal of party officers. While we are well aware that certain sections of the Rules of the Texas Democratic Party are based directly on the Texas Election Code, the sections referred to in Questions 15-16 are not. Because the Texas

Democratic Party appears to be solely responsible for the creation and enforcement of these particular rules, we believe that it should be able to answer our straightforward inquiry as to whether these rules apply to the county parties.

Questions 17-18

17. State whether the following individuals serve or served in positions with the TDP while simultaneously holding positions with the Dallas County Democratic Party. For each such individual, provide the starting and ending dates that the individual held both positions. For each such individual, state the position the individual holds or held at the county party level.

- a. Roberto Alonzo
- b. Shannon Bailey
- c. William Callejo
- d. Bernice G. Conley
- e. Theresa Daniel
- f. Dorothy Dean
- g. Gary Fitzsimmons
- h. Terri Hodge
- i. Bobbie Sue Holbrook
- j. Ken Molberg
- k. Jay Newman
- l. Lisa Y. Payne
- m. Barry W. Sprouse
- n. Peggy Wildman
- o. Ruth L. Wells Wyrick

18. State whether the following individuals serve or served in positions with the TDP while simultaneously holding positions with the Tarrant County Democratic Party. For each such individual, provide the starting and ending dates that the individual held both positions. For each such individual, state the position the individual holds or held at the county party level.

- a. Don Winters
- b. Harriet Irby
- c. Gwen Marlin
- d. Grover Swift

No response was provided for these questions, and no explanation was given for your clients' failure to respond. Please answer these questions.

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Please provide the requested information and documents as soon as possible, but in any event no later than Friday, August 6, 1999. We appreciate your and your clients' cooperation in this matter. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Thomas J. Andersen

Thomas J. Andersen
Attorney

Attachment

Revised tables of intra-party transfers

2025 RELEASE UNDER E.O. 14176

Federal Receipts by Democratic County Party Committees in Texas from Texas Democratic Party, 1993-1996

<u>COMMITTEE NAME</u>	<u>DATE RECEIVED</u>	<u>AMOUNT</u>	<u>DATE MADE</u>
Bexar County Dem Party	5/11/93	\$ 10,000.00	5/11/93
Bexar County Dem Party	8/6/96	\$ 197.50	8/6/96
Bexar County Dem Party	4/20/93	\$ 1,135.00	4/15/93
Bexar County Dem Party Total		\$ 11,332.50	
Dallas County Dem Party	4/8/93	\$ 2,500.00	4/2/93
Dallas County Dem Party	4/8/93	\$ 3,300.00	4/7/93
Dallas County Dem Party	4/13/93	\$ 2,500.00	4/8/93
Dallas County Dem Party	4/19/93	\$ 7,580.00	4/15/93
Dallas County Dem Party	4/26/93	\$ 6,330.00	4/20/93
Dallas County Dem Party	4/30/93	\$ 3,100.00	4/28/93
Dallas County Dem Party	5/18/93	\$ 14,000.00	5/14/93
Dallas County Dem Party	5/20/93	\$ 5,000.00	5/18/93
Dallas County Dem Party	5/26/93	\$ 1,000.00	5/21/93
Dallas County Dem Party	6/4/93	\$ 2,000.00	6/2/93
Dallas County Dem Party	9/23/94	\$ 20,000.00	9/20/94
Dallas County Dem Party	10/31/94	\$ 4,000.00	10/26/94
Dallas County Dem Party	11/7/94	\$ 15,000.00	11/3/94
Dallas County Dem Party	11/7/94	\$ 2,500.00	11/5/94
Dallas County Dem Party	11/7/94	\$ 3,000.00	11/7/94
Dallas County Dem Party	11/17/94	\$ 2,560.00	11/11/94
Dallas County Dem Party	10/21/96	\$ 4,393.75	10/16/96
Dallas County Dem Party Total		\$ 98,763.75	
Galveston County Dem Party	11/1/96	\$ 2,500.00	10/31/96
Galveston County Dem Party	11/2/96	\$ 1,000.00	11/1/96
Galveston County Dem Party	11/21/96	\$ 3,510.50	11/21/96
Galveston County Dem Party	11/26/96	\$ 2,782.90	11/22/96
Galveston County Dem Party	12/2/96	\$ 30,500.00	12/2/96
Galveston County Dem Party	12/6/96	\$ 5,000.00	12/6/96
Galveston County Dem Party	12/9/96	\$ 3,000.00	12/9/96
Galveston County Dem Party	no date	\$ 5,000.00	10/27/94
Galveston County Dem Party Total		\$ 53,293.40	
Harris County Dem Party	3/22/93	\$ 1,500.00	3/19/93
Harris County Dem Party	4/5/93	\$ 3,750.00	4/5/93
Harris County Dem Party	4/7/93	\$ 3,220.00	4/7/93
Harris County Dem Party	4/13/93	\$ 5,000.00	4/12/93
Harris County Dem Party	4/16/93	\$ 4,470.00	4/15/93
Harris County Dem Party	4/29/93	\$ 10,000.00	4/27/93
Harris County Dem Party	5/2/93	\$ 3,000.00	4/30/93
Harris County Dem Party	5/20/93	\$ 6,200.00	5/18/93
Harris County Dem Party	5/24/93	\$ 8,400.00	5/21/93
Harris County Dem Party	5/28/93	\$ 5,000.00	5/26/93
Harris County Dem Party	10/1/96	\$ 934.04	9/30/96
Harris County Dem Party		\$ 4,470.00	4/20/93
Harris County Dem Party		\$ 5,500.00	5/14/93
Harris County Dem Party		\$ 1,250.00	6/4/93
Harris County Dem Party		\$ 1,100.00	8/30/94
Harris County Dem Party Total		\$ 63,794.04	

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Federal Receipts by Democratic County Party Committees in Texas from Texas Democratic Party, 1993-1996

<u>COMMITTEE NAME</u>	<u>DATE RECEIVED</u>	<u>AMOUNT</u>	<u>DATE MADE</u>
Jefferson County Dem Party	10/24/96	\$ 769.50	10/16/96
Jefferson County Dem Party Total		\$ 769.50	
Tarrant County Dem Party	3/18/93	\$ 2,500.00	3/18/93
Tarrant County Dem Party	4/6/93	\$ 7,610.00	4/5/93
Tarrant County Dem Party	4/16/93	\$ 5,350.00	4/5/93
Tarrant County Dem Party	4/29/93	\$ 2,325.00	4/20/93
Tarrant County Dem Party	4/29/93	\$ 2,325.00	4/28/93
Tarrant County Dem Party	5/17/93	\$ 3,000.00	5/14/93
Tarrant County Dem Party	5/21/93	\$ 10,500.00	5/21/93
Tarrant County Dem Party	5/26/93	\$ 3,000.00	5/26/93
Tarrant County Dem Party	6/2/93	\$ 3,000.00	6/2/93
Tarrant County Dem Party	9/15/94	\$ 330.00	9/15/94
Tarrant County Dem Party		\$ 20,000.00	9/20/94
Tarrant County Dem Party	9/22/94	\$ 1,100.00	9/22/94
Tarrant County Dem Party	11/5/94	\$ 1,000.00	11/5/94
Tarrant County Dem Party	11/7/94	\$ 400.00	11/7/94
Tarrant County Dem Party	11/11/94	\$ 1,520.00	11/11/94
Tarrant County Dem Party	10/11/96	\$ 15,000.00	10/11/96
Tarrant County Dem Party	10/16/96	\$ 4,341.50	10/16/96
Tarrant County Dem Party	12/2/96	\$ 5,000.00	12/2/96
Tarrant County Dem Party Total		\$ 88,301.50	
Travis County Dem Party	4/15/93	\$ 1,050.00	4/15/93
Travis County Dem Party	4/22/93	\$ 1,000.00	4/22/93
Travis County Dem Party	4/29/93	\$ 1,000.00	4/28/93
Travis County Dem Party	5/8/93	\$ 400.00	5/6/93
Travis County Dem Party	9/1/94	\$ 1,980.00	8/5/94
Travis County Dem Party	9/1/94	\$ 1,100.00	8/18/94
Travis County Dem Party	9/1/94	\$ 2,860.00	9/1/94
Travis County Dem Party	9/19/94	\$ 2,200.00	9/16/94
Travis County Dem Party	9/30/94	\$ 2,000.00	9/30/94
Travis County Dem Party	10/14/94	\$ 3,000.00	10/12/94
Travis County Dem Party	5/17/95	\$ 1,180.00	5/15/95
Travis County Dem Party	8/12/96	\$ 50.00	8/7/94
Travis County Dem Party	10/3/96	\$ 856.02	10/2/96
Travis County Dem Party		\$ 3,600.00	10/28/94
Travis County Dem Party Total		\$ 22,276.02	
Grand Total		\$ 338,530.71	

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Federal Receipts by Texas Democratic Party from Democratic County Party Committees in Texas, 1993-1996

<u>COMMITTEE NAME</u>	<u>DATE RECEIVED</u>	<u>AMOUNT</u>	<u>DATE MADE</u>
Bexar County Dem Party	8/2/96	\$ 85.00	
Bexar County Dem Party	10/7/96	\$ 5,000.00	10/5/96
Bexar County Dem Party Total		\$ 5,085.00	
Dallas County Dem Party	8/28/96	\$ 10,000.00	9/6/96
Dallas County Dem Party	10/21/96	\$ 5,000.00	10/19/96
Dallas County Dem Party Total		\$ 15,000.00	
Galveston County Dem Party	5/3/96	\$ 500.00	
Galveston County Dem Party	10/16/96	\$ 5,000.00	10/7/96
Galveston County Dem Party	10/16/96	\$ 300.00	
Galveston County Dem Party Total		\$ 5,800.00	
Harris County Dem Party	5/12/95	\$ 20.00	
Harris County Dem Party	10/21/96	\$ 15,000.00	10/18/96
Harris County Dem Party Total		\$ 15,020.00	
Jefferson County Dem Party	5/10/96	\$ 250.00	
Jefferson County Dem Party	9/23/96	\$ 86.00	
Jefferson County Dem Party	10/24/96	\$ 692.55	
Jefferson County Dem Party Total		\$ 1,028.55	
Tarrant County Dem Party	10/26/94	\$ 5,000.00	10/25/94
Tarrant County Dem Party	8/28/96	\$ 10.00	
Tarrant County Dem Party	10/21/96	\$ 10,000.00	10/19/96
Tarrant County Dem Party	10/21/96	\$ 5,000.00	10/19/96
Tarrant County Dem Party	10/24/96	\$ 3,907.35	10/22/96
Tarrant County Dem Party	10/30/96	\$ 25,000.00	10/30/96
Tarrant County Dem Party	10/31/96	\$ 5,000.00	10/30/96
Tarrant County Dem Party Total		\$ 53,917.35	
Travis County Dem Party	4/29/96	\$ 6,000.00	4/25/96
Travis County Dem Party	7/30/96	\$ 85.00	7/24/96
Travis County Dem Party	8/28/96	\$ 425.00	9/4/96
Travis County Dem Party	9/4/96	\$ 615.00	9/4/96
Travis County Dem Party	10/3/96	\$ 3,000.00	10/2/96
Travis County Dem Party	10/25/96	\$ 5,000.00	10/25/96
Travis County Dem Party	11/1/96	\$ 2,500.00	11/1/96
Travis County Dem Party Total		\$ 17,625.00	
Grand Total		\$ 113,475.90	

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